



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-046]

1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China:  
Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Department) and the International Trade Commission (ITC), the Department is issuing the countervailing duty order on 1-Hydroxyethylidene-1, 1-Diphosphonic Acid (HEDP) from the People's Republic of China (PRC).

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Javier Barrientos at (202) 482-2243, or Matthew Renkey at (202) 482-2312, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

In accordance with section 705(d) of the Tariff Act of 1930, as amended (Act), on March 23, 2017, the Department published its affirmative final determination that countervailable subsidies are being provided to producers and exporters of HEDP from the PRC.<sup>1</sup> On May 8, 2017, the ITC notified the Department of its affirmative determination that an

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<sup>1</sup> See *Countervailing Duty Investigation of 1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Final Affirmative Determination* 82 FR 14872 (March 23, 2017).

industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act, by reason of subsidized imports of subject merchandise from the PRC.<sup>2</sup>

#### Scope of the Order

The scope of this order covers HEDP from the PRC. For a complete description of the scope, *see* Appendix.

#### Countervailing Duty Order

On May 8, 2017, in accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified the Department of its final determination in this investigation, in which it found that an industry in the United States is materially injured by reason of imports of HEDP from the PRC.<sup>3</sup> Therefore, in accordance with section 705(c)(2) of the Act, the Department is issuing this countervailing duty order. Because the ITC determined that imports of HEDP from the PRC are materially injuring a U.S. industry, unliquidated entries of such merchandise from the PRC, entered or withdrawn from warehouse for consumption, are subject to the assessment of countervailing duties.

Therefore, in accordance with section 706(a) of the Act, the Department will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by the Department, countervailing duties for all relevant entries of HEDP from the PRC. Countervailing duties will be assessed on unliquidated entries of HEDP from the PRC entered, or withdrawn from warehouse, for consumption on or after September 8, 2016, the date of publication of the *Preliminary Determination*,<sup>4</sup> but will not include entries occurring after the expiration of the provisional measures period and before publication of the ITC's final injury determination as

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<sup>2</sup> See Letter to Ronald Lorentzen, Acting Assistant Secretary of Commerce for Enforcement and Compliance, from Rhonda K. Schmidlein, Chairman of the U.S. International Trade Commission, regarding HEDP from the PRC, (May 8, 2017) (ITC Letter).

<sup>3</sup> See ITC Letter.

further described below.

### Suspension of Liquidation

In accordance with section 706 of the Act, the Department will instruct CBP to reinstitute the suspension of liquidation of HEDP from the PRC. We will also instruct CBP to require, pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise.<sup>5</sup> These instructions suspending liquidation will remain in effect until further notice. The all-others rate applies to all producers and exporters of subject merchandise.

<b>Company</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Nanjing University of Chemical Technology Changzhou Wujin Water Quality Stabilizer Factory (Wujin Water)	0.75 ( <i>de minimis</i> )
Shandong Taihe Chemicals Co., Ltd. and Shandong Taihe Water Treatment Technologies Co., Ltd. (Taihe Companies)	2.40
All-Others	2.40
Changzhou Kewei Fine Chemicals Co., Ltd.	54.11
Hebei Longke Water Treatment Co., Ltd.	54.11
Shandong Huayou Chemistry Co., Ltd.	54.11
Shandong Xintai Water Treatment Technology	54.11
Zaozhuang Fuxing Water Treatment Technology	54.11
Zaozhuang YouBang Chemicals Co., Ltd.	54.11
Zouping Dongfang Chemical Industry Co., Ltd.	54.11

### Provisional Measures

Section 703(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months. In the underlying investigation, the Department published the *Preliminary Determination* on September 8, 2016.

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<sup>4</sup> See *Countervailing Duty Investigation of 1-Hydroxyethylidene-1, 1-Diphosphonic Acid from the People's Republic of China: Preliminary Affirmative Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 81 FR 62084 (September 8, 2016).

<sup>5</sup> With the exception of Wujin Water, the net subsidy rate of which is *de minimis*, and hence, is excluded from this order. This exclusion will apply only to subject merchandise both produced and exported by Wujin Water.

As such, the four-month period beginning on the date of the publication of the *Preliminary Determination* ended on January 6, 2017. Furthermore, section 707(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 703(d) of the Act and our practice, we instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of HEDP from the PRC entered, or withdrawn from warehouse, for consumption, on or after January 6, 2017, the date the provisional measures expired, until and through the day preceding the date of publication of the ITC's final injury determination in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC's final determination in the *Federal Register*.

#### Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to HEDP from the PRC pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

Dated: May 9, 2017.

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Gary Taverman,  
Associate Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations.

## **Appendix**

The merchandise covered by this investigation includes all grades of aqueous acidic (non-neutralized) concentrations of HEDP, also referred to as hydroxyethylidenediphosphonic acid, hydroxyethanediphosphonic acid, acetodiphosphonic acid, and etidronic acid. The Chemical Abstract Service (CAS) registry number for HEDP is 2809-21-4.

The merchandise subject to this investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 2931.90.9043. It may also enter under HTSUS subheadings 281.19.6090 and 2931.90.9041. While HTSUS subheadings and the CAS registry number are provided for convenience and customs purposes only, the written description of the scope of this investigation is dispositive.

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